



Department of Justice

FOR IMMEDIATE RELEASE
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IOWA DAIRY AND MANAGER CHARGED IN MILK BID-RIGGING CONSPIRACY

The Department of Justice announced today that it has charged an Iowa dairy and a manager from that dairy with conspiring to rig bids for contracts to supply milk and related products to certain public school districts in western Illinois and eastern Iowa.

The one-count information, filed in U.S. District Court in Peoria, Illinois, against Swiss Valley Farms of Mount Joy, Iowa, and Joseph Gau, a manager at the dairy's headquarters, was the 131st criminal case filed since May 1988 as part of an ongoing federal investigation of collusion in the dairy industry.

The defendants were charged with participating in a conspiracy to rig bids, between 1986 and the 1989-1990 school year, in violation of Section 1 of the Sherman Act. To carry out the conspiracy, Swiss Valley Farms and its co-conspirators discussed among themselves the submission of prospective bids, designated which dairy would be the low bidder and refrained from bidding or submitted intentionally high bids.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said that the investigation was conducted by the Chicago Office of the Antitrust Division with assistance from the U. S. Attorney's Office in Springfield, Illinois, the

Federal Bureau of Investigation's office in St. Louis, Missouri, the Great Plains Regional Office of the U.S. Department of Agriculture and the Illinois Attorney General's Office.

To date, 67 corporations and 60 individuals have been convicted and a total of \$59 million in fines imposed in cases involving the supply of dairy products to public school districts. Some 29 individuals have been sentenced to serve an average of approximately seven months imprisonment. Sixteen grand juries in 12 states continue to investigate the milk industry.

The maximum penalty for a corporation convicted under the Sherman Act for a violation occurring before November 16, 1990 is a fine that is the greatest of \$1,000,000, twice the pecuniary gain to the corporation derived from the crime or twice the pecuniary loss caused to the victims of the crime.

The maximum penalty for an individual convicted under the Sherman Act for a violation occurring before November 16, 1990, is three years imprisonment and a fine not to exceed the greatest of \$250,000, twice the pecuniary gain to the individual derived from the crime or twice the pecuniary loss caused to the victims of the crime.

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